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Report Highlights:

Government raises food grain, oilseed output estimate..., *...wheat procurement crosses 22 million tons*, *Chile wants to widen scope of PTA with India...*, *...India-Mercosur Pact to boost bilateral trade*, *U.S. stance may delay DOHA deal*, *A quarter of Indians to live on \$1.25 per day in 2015: World Bank*, *Golden rice likely to be available in three years*, *TN Agri Varsity plans multiple outlets for Bt Eggplant seeds*, *Six months of import of vegetable oils – up by 64 percent, April import up by 101 percent*.

General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been

made for clarification.

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GOVERNMENT RAISES FOOD GRAIN, OILSEED OUTPUT ESTIMATE ...

The Agriculture Ministry has revised upward the estimates of the country's food grain and oilseeds output for 2008-09. The government's third advance estimate puts total food grain production at 229.85 million tons, against 227.88 million tons in the second advance estimate. The upward revision is mainly on account of rice (99.37 million tons) and corn (18.48 million tons). The wheat production estimate has been revised marginally downward to 77.63 million tons. The Ministry also expects production of oilseeds and cotton to be higher than earlier assessed levels. (Source: Business Line, 05/13/09)

Post Comment: The revised production estimates can be accessed from:

http://dacnet.nic.in/eands/Advance_Estimate/3rd_Advance.pdf

... WHEAT PROCUREMENT CROSSES 22 MILLION TONS

Wheat procurement by the government crossed 22.1 million tons on May 13, 2009, compared to 18.8 million tons during the corresponding period of the 2008/09 (Apr-Mar) marketing year. Punjab has contributed the highest ever wheat to the central pool at 10.58 million tons. The Food Corporation of India expects wheat procurement to cross last year's record procurement of 22.69 million tons. The government had set a procurement target of 24.4 million tons for the current marketing year. "The total procurement may surpass the targeted 24.4 million tons even as the government production estimate for wheat has been revised downward," an official said. (Source: Financial Express, 05/14/09)

CHILE WANTS TO WIDEN SCOPE OF PTA WITH INDIA ...

Chile is likely to start negotiations on widening the scope of the Preferential Trade Agreement (PTA) in July-August, soon after the installation of the new government in India, said Mr. Alfonso Silva Navarro, Ambassador of Chile to India. "Under a revised PTA, we will look at including a larger number of products and lowering tariffs," he said. The PTA between India and Chile, which was signed in 2006 but came into effect in 2007, included about 144 products, he said. The government of Chile, as the envoy pointed out, was considering signing a Free Trade Agreement between the two countries. (Source: Business Line, 05/13/09)

... INDIA-MERCOSUR PACT TO BOOST BILATERAL TRADE

The India-Mercosur Preferential Trading Agreement, which is likely to be inked by June 2009, will provide a significant boost to bilateral trade and investment flows. The pact will also mark the first step towards creation of a Free Trade Area between Mercosur and India. At an interactive meeting organized by the Federation of Indian Chamber of Commerce and Industry (FICCI) on May 12, Jose Carlos Fonseca Jr., Minister Counselor of Brazil in India, said the signing of the PTA between Mercosur and India reflected the priority attached by each of the participating countries in doing business with India. "Very soon we will have to sit down again to look into the possibility of widening the scope of the agreement to give rise to a new wave of economic and business cooperation with India," he said. (Source: Financial Express, 05/13/09)

U.S. STANCE MAY DELAY DOHA DEAL

Commerce Secretary Mr. G.K. Pillai warned that the outcome of the Doha development round could be delayed by five years if the U.S. reopens negotiations on agreed issues and raises new issues like labor and environment. "The current line of thinking in the U.S. is that it has given too much in the negotiations and received too little, that there is little new market access in the package so far negotiated and there is lack of transparency on market access," Mr. Pillai said. India expects the next round of negotiations at the WTO to start in January-February 2010. He said that the U.S. was expected to come back to the negotiating countries in September when it would have completed its internal review. (Source: Asian Age, 05/15/09)

A QUARTER OF INDIANS TO LIVE ON \$1.25 PER DAY IN 2015: WORLD BANK

India is now ahead of only Sub-Saharan Africa among developing countries in terms of percentage of the population below the poverty line, though it fared better than China on this count in 1990, according to the World Bank. The World Bank in its recently released report 'Global Economic Prospects for 2009', said a quarter of India's population will be living in extreme poverty, on less than \$1.25 per day, in 2015. The corresponding figures for China is 6.1 percent and for Sub-Saharan Africa 37.1 percent. These are based on purchasing power parity exchange rates derived from 2005 price surveys. According to the World Bank's poverty forecast, China had 60.2 percent of its population living on less than \$1.25 a day in 1990, compared to India's 51.3 percent. However, 15 years later in 2005, China had 15.9 percent of its population living in extreme poverty compared to India's 41.6 percent living on less than \$1.25 a day, the international poverty line. (Source: Financial Express, 05/13/09)

GOLDEN RICE LIKELY TO BE AVAILABLE IN THREE YEARS

The much talked about 'Golden Rice' would be available for Indian farmers in three years, according to Dr. Mangala Rai, Director General, Indian Council of Agricultural Research. "We are getting a better expression. Accelerated efforts are needed to make it a reality," he said. According to him, gene fortified rice with micro nutrients was a must for the country to substitute the huge loss of micronutrients from the soil. Dr. Rai said the Council had formed two committees to find a suitable location for setting up institutions to study issues related to biotic and biotechnology. The Council has already set up an institute for studies in abiotic stress management in Pune. Dr. Rai warned against globalization of pests and insects. "We need to have a global effort to face these challenges," he said. Citing the example of Ug99, he said the disease was noticed spreading to African and Asian countries. "It is likely that it may enter Pakistan as well," he said. (Source: Business Line, 05/12/2009)

TN AGRI VARSITY PLANS MULTIPLE OUTLETS FOR BT EGGPLANT SEEDS

Tamil Nadu Agricultural University plans to distribute Bt brinjal (eggplant) seeds through multiple outlets, including *Krishi Vigyan Kendras* (Agriculture Knowledge Centers) and post offices once the government approves the introduction of Bt eggplant. Two other countries – Bangladesh and Philippines whose agricultural universities are collaborating with India in conducting studies on Bt eggplant - are waiting for the decision of the Indian government after which they would take a call on the introduction of this variety in their country. The 'regulatory procedures' prescribed by the government of India have been complied with and the required data has been submitted to the government. Dr. P. Balasubramanian, Director, Center for Plant Molecular Biology, said the choice before farmers cultivating eggplant was whether to extensively use pesticides to control the fruit and shoot borer pest that causes huge crop losses or adopt Bt technology that would take care of the crop with minimum pesticide use. (Source: Business Line, 05/13/09)

SIX MONTHS OF IMPORT OF VEGETABLE OILS – UP BY 64 PERCENT, APRIL IMPORT UP BY 101 PERCENT

According to the Solvent Extractors Association of India (SEA), the total import of vegetable oils during November 2008 through April 2009 increased by 64 percent to 4.3 million tons compared to 2.6 million tons during the corresponding period of last year. Imports during April 2009 were 699,396 tons compared to 347,332 tons for April 2008. Palm products have appreciated by about US\$ 250 since November 2008, but, with a zero duty, are still attractive. Imports are likely to continue over half a million tons per month apart from 100-125,000 tons of soft oils. Going by the current trend, SEA revised their import estimate upwards by half a million tons to 8 million tons (7.5 million tons edible and 0.5 million tons non-edible) for November 2008 to October 2009. This is mainly due to lower than expected domestic

production of oilseeds and a considerable increase in domestic consumption due to reduced domestic prices and also decline in world market prices coupled with the reduction/withdrawal of import duty on edible oils by the Indian Government in November 2008 and March 2009. (Source: Press Release, Solvent Extractors Association (SEA), 05/13/2009)

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